

23 September 2011

English only

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

**Ad Hoc Working Group on Long-term Cooperative Action  
under the Convention**

**Fourteenth session, part three**

**Panama City, 1–7 October 2011**

Agenda item 3.2.2

**Nationally appropriate mitigation actions by developing country Parties**

**Views on the items relating to a work programme for the  
development of modalities and guidelines listed in  
decision 1/CP.16, paragraph 66**

**Submissions from Parties**

**Addendum**

1. In addition to the 14 submissions contained in document FCCC/AWGLCA/2011/MISC.7 and Add.1 and 2, nine further submissions have been received.
2. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced\* in the language in which they were received and without formal editing.

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**FCCC/AWGLCA/2011/MISC.7/Add.3**

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\* This submission is supported by Albania, Croatia, Iceland, Montenegro and Serbia.

**AUSTRALIA**

**Submission under the Cancún Agreements | September 2011**

**Enhanced action on Measurement, Reporting and Verification (MRV) | AWG LCA | AWG-KP | SBI**

**I. Overview**

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This submission contains the views of the Australian Government on options to enhance measurement, reporting and verification (MRV) as mandated under Decision 1/CP.16. It builds on Australia's March 2011 submission on enhanced action on mitigation and MRV (FCCC/AWGLCA/2011/MISC.6) as well as views submitted by the Umbrella Group in the second part of the Fourteenth Session of the AWG-LCA (FCCC/AWGLCA/2011/MISC.8). It proposes a system of reporting and review which is integrated with existing requirements to avoid duplication and maximise the ease and benefits of participation for all Parties. Annexes A and B contain proposed decision text on International Assessment and Review (IAR) and International Consultations and Analysis (ICA) respectively.

Australia considers that achieving transparency of all countries' mitigation efforts and of support provided to developing countries is the overarching purpose of the MRV framework agreed in Decision 1/CP.16. The regular review of information provided in biennial reports and updates is the means through which transparency will be delivered. It will build international understanding of Parties' efforts to combat climate change, and provide assurance that all Parties are acting.

The MRV system Australia proposes in this submission contains the following key elements:

- Early and regular participation in reporting and review by all major emitters.
- National communications are examined at the expert review phase of IAR and ICA, but are not subject to scrutiny by other Parties in either process.
  - Biennial reports are discrete inputs in every cycle of IAR and ICA.
- Expert review under IAR is structured to ensure no duplication with existing review processes for developed countries.
- The principle of common but differentiated responsibilities and respective capabilities is applied through a range of measures, including:
  - Differentiated reporting requirements between developed and developing countries;
  - Prioritising participation in the first round of developing country biennial update reporting on the basis of the capacity of Parties and their share of global emissions;
  - Rotating participation in later rounds of IAR and ICA, if required.

At COP 17 in Durban, Australia urges Parties to take ambitious decisions on guidelines for biennial reports for developed countries and the first biennial update report for developing countries (with biennial reporting guidelines for developing countries to be finalised at COP 18). Parties should also finalise guidelines for IAR and ICA in Durban.

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## II. Biennial reports

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### General issues

Biennial reporting for developed and developing countries will provide a platform of current information to feed into regular expert review. This pattern of more regular reporting will provide all countries with the means to build and maintain reporting capacity, and minimise the capacity challenges created by the current *ad hoc* reporting schedule for developing countries.

Under Decision 1/CP.16, Parties may be required to submit both biennial reports and national communications in some years. In these years, Parties should prepare a summary of the relevant sections of their national communication and submit this separately as their biennial report. This would enable the biennial report to be a separate input to the international consultations component of ICA, consistent with paragraph 63 of Decision 1/CP.16, and the international assessment component of IAR.

### Biennial reports for developed countries

Guidelines for biennial reports will build on the guidelines on national communications and national GHG inventories for Annex I Parties attached to Decisions 4/CP.5 and 18/CP.8. These guidelines cover the information to be included in biennial reports under paragraph 40(a) of Decision 1/CP.16.

Annex I Parties currently submit national GHG inventories annually, and are subject to a four-year cycle for national communications. Biennial reports will be of most value if they provide concise, user-friendly updates on the progress of developed countries in reducing emissions. Australia suggests a start date of 1 January 2013 to enable submission of the first biennial reports to dovetail as closely as possible with the mid-point of the current Annex I national communication cycle. Biennial reports should include:

- National GHG inventory for year [X-2];
- Description of mitigation target, including relevant assumptions and methodologies;
- Updated information on major policies or measures used to implement the target;
- Information on emissions reductions achieved to date;
- Updated summaries of projected emissions with and without mitigation actions, and with optional additional measures;
- Information on support provided to developing countries in as much detail as practicable, using a common template.

### Biennial update reports for developing countries

Participation in biennial update reporting by developing countries – particularly the major developing country emitters – will be crucial to the environmental integrity of the future climate change regime. To date, developing countries have submitted national communications irregularly, without in-depth review. This has reduced the effectiveness of efforts to accurately track global emissions levels and trends. It will be impossible to achieve an environmentally robust outcome without mechanisms in place to report and review this information systematically and regularly.

The early submission of biennial update reports by developing countries with high emissions will be pivotal to understanding the diversity of their mitigation actions and strategies, and how they are tracking towards their domestic mitigation goals. It will also help identify gaps in capacity and support which will help prioritise future assistance if necessary. Australia emphasises that the robustness of the 2015 Review will be contingent on this information.

The requirement to submit information regularly will maintain and build upon newly gained capacity. As Parties learn by doing, biennial update reports and national communications will become mutually reinforcing: improvements in one will carry over into the other, increasing efficiency and reducing resource implications. As inventories improve, Parties will be better able to identify mitigation opportunities, substantiate claims for support and prioritise action.

At COP 17, Australia calls on Parties to agree guidelines for the first biennial update report for developing countries. Developing countries with very limited capacity, including Least Developed Countries and many Small Island Developing States, should not be required to report in the first round, but should be provided assistance to do so if they wish to develop this capacity. Developing countries with more capacity to report emissions and mitigation data may also require support, including financial support.

Australia considers that the guidelines for Non-Annex I national communications in Decision 17/CP.8 provide a starting point for the guidelines for the first biennial update report. This should be submitted by 1 January 2014 to enable the information to inform the 2015 Review. Australia encourages developing countries to use the IPCC Guidelines most recently adopted by the COP but, consistent with the principle of common but differentiated responsibilities and respective capabilities, accepts Parties with limited capacity may wish to continue using the UNFCCC Non-Annex I GHG Inventory Software. Consistent with paragraphs 60(c) and 64 of Decision 1/CP.16, guidelines for the first round of reporting should make provision for the following:

- The reporting elements in paragraph 60(c) of Decision 1/CP.16, including a national inventory report for year [X-3];
- Where practicable, use of national activity indicators rather than UNFCCC default indicators to give the most accurate possible picture of the individual mitigation circumstances of Parties;
- Detailed description of mitigation actions and information on implementation to date;
- Estimated outcomes and emission reductions, and information on methodologies and assumptions;
- Comprehensive description of the system of domestic MRV for domestically supported mitigation actions;
- Detailed information on support received from developed countries.

At COP 17, Parties should also agree to finalise the guidelines for subsequent biennial update reports for developing countries at COP 18. The guidelines for subsequent biennial reports should introduce higher standards of reporting as developing countries build their reporting capacities and learn by doing.

### **III. International Assessment and Review (IAR) and International Consultations and Assessment (ICA)**

International review of domestic efforts will be the cornerstone of transparency. It will provide visibility of what countries are doing and generate confidence that all countries are playing their part in overall mitigation efforts. Well-designed IAR and ICA processes will allow Parties to assess how they are tracking, individually and collectively, toward mitigation goals. Facilitative and non-adversarial arrangements for all Parties will provide opportunities to share lessons learned and highlight best practices. Respect for national sovereignty is not in question.

#### **International Assessment and Review**

Australia considers that IAR should streamline existing review guidelines where possible, using decisions 2/CP.1, 9/CP.2, 6/CP.3 and 33/CP.7 as a starting point. A two-stage process of expert review and international assessment should begin following the submission of each biennial report. If the Party has submitted a national communication concurrently with its biennial report, the national communication will also go to expert review under IAR.

Australia notes that developed countries are already subject to annual inventory reviews and reviews of national communications. The reporting submitted to expert review under IAR by developed countries should be subject to only one form of review in any given year.

In this context, Australia proposes two measures to prevent duplication of review processes for developed countries. First, Parties should not undergo an annual inventory review under IAR, as this already occurs through existing processes. Expert review under IAR should instead ensure that the inventory is consistent with the rest of the reporting submitted by the Party – whether a biennial report alone, or a biennial report and a national communication. Second, as national communications will be captured in expert review under IAR, the mitigation information in them should not be subject to expert review outside the IAR process.

More frequent review processes under IAR will create resource pressures for the Secretariat. These could be alleviated by developed countries undergoing expert review (and therefore international assessment) on a rotating basis. One option could be to determine frequency according to share of global emissions.

Proposed decision text on IAR is attached at Annex A.

### **International Consultation and Analysis**

The purpose of ICA for developing countries is to improve understanding and transparency of mitigation actions being implemented by developing countries. ICA should review domestically and internationally supported actions to ensure that all actions are included in our overall assessments of progress toward individual and collective goals.

It will be essential to prioritise ICA for all developing countries that submit early biennial update reports. This will be especially important in the case of the major developing economies, as the information contained in biennial reports will effectively benchmark actual global emissions levels and efforts to reduce them. To avoid ICA becoming unmanageable in subsequent rounds of biennial update reporting, one option may be to select a representative sample of developing countries to undergo ICA.

In making this choice, the Secretariat should take into account the Parties' shares of global emissions. It should also draw positive attention to developing countries that have submitted high-quality biennial reports or have demonstrated strong commitment to achieving their mitigation goals relative to their respective capabilities. The sample should include any developing country that wishes to undergo ICA.

Proposed decision text on ICA is attached at Annex B.

**Annex A**  
**Proposed Text: International Assessment and Review**

1. Building on existing reporting and review guidelines, processes, and experiences, the Subsidiary Bodies will conduct a process for international assessment and review of emissions and removals related to quantified economy-wide emission reduction targets, taking into account national circumstances, in a rigorous, robust and transparent manner, with a view to promoting comparability and building international confidence in the mitigation actions of Parties. This will be a two-phase process of expert review, followed by international assessment.
2. Submission by a Party of a biennial report, whether alone or in addition to a national communication, will trigger the commencement of an international assessment and review cycle for that Party. The cycle will encompass expert review and conclude at the completion of international assessment.
3. International assessment and review of national communications and biennial reports should incorporate the existing review guidance in Decisions 2/CP.1, 9/CP.2, 6/CP.3 and 33/CP.7. In addition to the tasks set forth in these Decisions and their related annexes, international assessment and review will also review the extent to which the Party has achieved its quantified economy-wide emission reduction target.
4. In each cycle of international assessment and review, the expert review will consider the biennial report and any national communication not previously considered that has been submitted since the commencement of the previous cycle for that Party. Expert review will examine the consistency of inventory information with the biennial report and national communication. Mitigation information in national communications that are subject to the expert review process elaborated in this Decision will not be subject to review under existing processes.
5. At the commencement of each cycle of international assessment and review, the Secretariat will select a group of five to eight experts to review the reporting submitted by the Party concerned and any additional material provided in accordance with paragraph 7, with a view to meeting the review objectives set out in paragraph 1, under the authority of the Subsidiary Bodies.
6. The expert group should be drawn from Secretariat professional staff and from a list of experts nominated by the Parties. Members will serve in their personal capacities. The expert group should contain balanced representation among developed and developing countries, and among Secretariat professional staff and nominees of Parties. It should possess a high level of technical expertise and include at least one inventory expert to examine the consistency of inventory information with the biennial report and national communication.
7. The expert group will conduct a centralized paper review. In addition, the expert group may meet directly with Party representatives, request additional documentation or information, and solicit information from other Parties or stakeholders. The expert group may conduct in-country visits as necessary to clarify or seek further information on matters arising from the biennial report or national communication of the Party concerned or the additional information supplied to the expert group in the course of the expert review.
8. The expert group will produce an in-depth review report in accordance with the aforementioned Decisions. The expert group will share the report with the Party concerned in draft form, and invite comments from the Party concerned. The expert group will reflect or otherwise respond to the Party's comments in the final report.

9. Building on paragraph 2(e) of Decision 2/CP.1, the Subsidiary Body for Implementation will convene a working group session for international assessment for all Parties in respect of which a final expert report has been completed. This session will examine the biennial report and the final expert report for each of these Parties. The session will be open to all Parties.
10. The Subsidiary Body for Implementation will set a timetable for international assessments. Parties may request a session of one to three hours in duration. Assessments should include a brief Party presentation, followed by oral questions by regional representatives and Party responses. The tenor of the session should be respectful, non-confrontational, confidence-building, and focused on the content in the biennial report and the in-depth review report.
11. During the two-week period following such a session, any Party may submit in writing, through the Secretariat, additional questions to the Party concerned. The Party concerned will endeavour to respond in writing to those questions, through the Secretariat, within two months.
12. By the session following the international assessment, the Secretariat will prepare a record in respect of each Party under review, including the expert analysis report, a summary of the working group assessment, the questions submitted by Parties and responses provided, and any other observations by the Party concerned that are submitted within two months of the consultations. Once the Secretariat has finalized this record, the cycle of international assessment and review is completed for that Party. The Secretariat will forward the record to the COP for its consideration.
13. In the event that international assessment and review generates excessive pressures on the Secretariat and/or the Subsidiary Bodies, the Secretariat may select Parties to undergo international assessment and review on a rotating basis, with the frequency for each Party determined by its share of global emissions.



## **Annex B**

### **Proposed Text: International Consultations and Analysis**

1. The Subsidiary Bodies will conduct a process for international consultations and analysis of mitigation actions and their effects. Consistent with Decision 1/CP.16, this process should take into account information on mitigation actions and their effects, associated methodologies and assumptions, progress in implementation, information on domestic measurement, reporting and verification, and support received. To this end, it will consider biennial update reports (including national greenhouse gas inventories) and, where applicable, national communications.
2. International consultations and analysis will be a two-stage process of expert analysis, followed by international consultations. It will be conducted in a manner that is non-intrusive, non-punitive, respectful of national sovereignty, and that is designed to increase the transparency of mitigation actions and their effects. The process will not question the appropriateness of domestic policies and measures, or their consistency with other international frameworks.
3. Submission by a Party of a biennial update report, whether alone or in addition to a national communication, will trigger the commencement of an international consultations and analysis cycle for that Party. In the event that the Party has not submitted such reporting, the cycle will commence on the expiration of a year following the date that it was due. The cycle will encompass expert analysis and will conclude at the completion of international consultations.
4. In each cycle, the expert analysis phase will consider reporting submitted by the Party and the information described in paragraph 1. If the information described in paragraph 1 is not reflected in the reporting submitted by the Party, or the Party has not submitted national reporting, the expert review may take into account publicly available information on that Party's mitigation actions and their effects.
5. At the commencement of an international consultations and analysis cycle, the Secretariat will assemble a group of five to eight experts to undertake expert analysis of the material submitted by, or relating to, the Party concerned, with a view to achieving an enhanced understanding of the Party's mitigation actions and their effects.
6. The Secretariat will select the expert group from Secretariat professional staff and from a list of experts nominated by the Parties. The members will serve in their personal capacity. The group should be balanced to reflect diversity among developed and developing countries, and among Secretariat staff and nominees from Parties. It should possess a high level of technical expertise. It should include two to three inventory experts to facilitate analysis of the national inventory and its consistency with the biennial update report and, where applicable, the national communication.
7. The expert group will report on the Party's full suite of actions and the emissions benefits gained, analyse the methodologies and assumptions used in the biennial update report or national communication, and report on the Party's domestic processes for measurement, reporting and verification, and support received. For those Parties that have listed actions, the expert group will report on the Party's progress in achieving those actions.
8. The expert group will conduct a centralized paper review. The expert group may meet directly with Party representatives, request additional documentation or information from the Party, and solicit information from other Parties or stakeholders if no national reporting has been submitted. It may conduct in-country visits as necessary to clarify or seek further information on matters arising from the

biennial update report or national communication of the Party concerned, or the information relied on by the experts in place of such reporting.

9. The expert group will prepare a draft analysis report. It will share this draft report with the Party concerned for review and comment. The expert group will incorporate or otherwise respond to comments from the Party in its final expert analysis report
10. The Subsidiary Body on Implementation will convene a consultation working group session for international consultations in respect of all Parties for which there is a final expert analysis report. The international consultations will take account of the biennial update report, if submitted, and the expert analysis report. The session will be open to all Parties.
11. The Subsidiary Body for Implementation will set a timetable for consultations. Parties may request a session of from one to three hours. Parties that have commonalities and that anticipate fewer questions may request a single joint consultation. Consultations should include a brief Party presentation, followed by oral questions by regional representatives and Party responses. The tenor of the session is to be a facilitative sharing of views, focused on the content described in paragraph 1, the biennial update report, and the final expert analysis report.
12. During the two-week period following such a session, any Party may submit in writing, through the Secretariat, additional questions to the Party concerned. The Party concerned will endeavor to respond in writing to those questions, through the Secretariat, within two months.
13. By the session following the international consultations, the Secretariat will prepare a record including: the expert analysis report, a summary of the working group consultations, the questions submitted by Parties and responses provided, and any other observations by the Party concerned that are submitted within two months of the consultations. The international consultations and analysis cycle will conclude when the Secretariat completes this record. The Secretariat will forward the record to the COP for its consideration.
14. All biennial update reports submitted in the first round of reporting will be put to international consultations and analysis. In later rounds of biennial update reporting, the Secretariat may select a representative sample of Parties to undergo international consultations and analysis, if this is necessary to manage administrative burdens on the Secretariat or the Subsidiary Bodies. This selection should take into account share of global emissions. It should include any Party that has submitted a high-quality biennial update report or made strong progress, relative to its respective capabilities, towards achieving its mitigation goals. It will include any Party that wishes to undergo international consultations and analysis.

**AUSTRALIA**

**Submission under the Cancun Agreements | September 2011**

**Work programme for the development of modalities and guidelines for facilitation of support to NAMAs through a registry | AWG-LCA**

**I. Overview**

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This submission contains the views of the Australian Government on a work programme for the development of modalities and guidelines for the registry, as invited under paragraph 67 of Decision 1/CP.16. Australia also draws attention to its previous submissions on the registry<sup>1</sup>.

In summary, Australia considers:

- The work programme should focus on developing a practical, user-friendly design for the registry as a tool to facilitate matching of support for developing country mitigation. The registry will provide a platform for voluntary sharing of information on Nationally Appropriate Mitigation Actions (NAMAs) seeking support and potential support available. Its design should maximise accessibility and effectiveness for this purpose;
- This work could be helpfully progressed by inviting potential registry users – including developing countries and a range of support sources: public, private and NGO – to exchange views on how they can best make use of a registry, and what information they would find most helpful in a registry. Presentations on potential models for a registry platform would also provide useful input for further discussions.

**II. Building an effective and user-friendly registry**

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Australia welcomes the opportunity to submit its views on a work programme for the development of modalities and guidelines for facilitation of support to NAMAs through a registry. In particular, Australia considers that this work programme needs to focus on developing a practical, user-friendly design for the registry, and providing necessary guidance on the implementation of this design, as steps towards establishing a registry prototype.

An effective registry design will be based on the following principles:

- **Facilitative:** The registry is principally a facilitative tool, aimed at aiding developing countries pursue mitigation opportunities that require international support. It can connect proponents of NAMAs and potential sources of support via a simple, searchable web platform that lists NAMAs seeking support as well as support available.
- **Non-political:** To work effectively as a facilitative tool, the registry should be kept distinct from the higher-order process of elaborating and inscribing Parties' mitigation commitments: a political process at the heart of international climate change co-operation. The registry does not replace the need for a transparent vehicle (such as schedules) to inscribe Parties' unconditional mitigation undertakings. The registry can however complement the vehicle that inscribes these first order commitments, by providing a technical tool that helps countries pursue further mitigation potential.

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<sup>1</sup> Submission on *Enhanced Action on Mitigation and Measurement, Reporting and Verification* (March 2011)

- **Voluntary:** Participation in the registry, and in particular the submission of information to the registry, will be voluntary. As a result, there is no expectation that information contained in the registry will be comprehensive.
- **User-oriented:** As participation in the registry will be voluntary, it will only be effective if it allows for and encourages active two-way participation by both NAMA proponents and support sources. The registry must be accessible, simple to navigate and have utility for users. This can be achieved through a design that:
  - opens the registry to all potential sources of financial, technological and capacity-building support – including Parties, UNFCCC bodies, multilateral, regional and bilateral banks, funds and organisations, private businesses, NGOs, and sub-national institutions – to maximise the opportunity for NAMA proponents to find support;
  - collects inputs in a simple and accessible format, striking a balance between enough detail and standardisation of information to allow users to pinpoint their interests, but avoiding data collection or disclosure requirements that create a barrier to registry use;
- **Practical:** The design should recognise the practical limitations of the registry’s role and functions. The registry is not itself a source of support but simply a facilitative tool: it cannot make final decisions about eligibility for or allocation of support. Given the breadth of potential NAMAs and support sources that might be recorded in the registry, each with unique requirements, it would also be procedurally and practically unworkable for the registry to automatically generate specific recommendations for NAMA-support matches.
- **Stand-alone:** The registry must be functionally independent of the operating entities of the UNFCCC financial mechanism: both the GEF and Green Climate Fund have or will have independent operational procedures, and their governing bodies will determine the extent to which they draw upon the UNFCCC registry as a source of information.
- **Non-duplicative:** The registry design should aim to minimise duplication with other elements of the international climate framework. While the registry provides scope for users to publicly record information on NAMAs that have secured support and support provided, these functions should be kept as simple and as flexible for users as possible. There is little value in expending limited UNFCCC resources on developing extensive registry functions, such as reporting, that are or will be more comprehensively addressed elsewhere.

### **III. Key areas for the registry work programme**

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In line with these principles for an effective registry, Australia considers that key areas for further work this year include developing guidance on:

- the details of and format for submissions to the registry on NAMAs seeking support and support available – a precondition for creating a registry prototype;
- who can contribute to and access the registry – including all potential support sources;
- who will establish, maintain and update the registry – including the role of the Secretariat and the option of enabling direct user access.

The input of future registry users will be critical to progressing this work. Inviting potential users – including developing countries and a range of support sources: public, private and NGO – to exchange views in an informal workshop on how they might best make use of the registry will provide the groundwork for building the registry as an effective and user-friendly tool. This informal discussion could also explore the types of information users would find most helpful in a registry, as well as the constraints users might face in collecting or providing information. It could also kick-start the critical networking process between NAMA proponents and support sources that the registry will be designed to support.

The design work should also draw upon registry-type models currently in operation. Useful reference points include the World Bank/UNDP *climatefinanceoptions.org*, UNFCCC/UNEP *CDM Bazaar* and, from a non-climate field, the UN *Matching SALW needs and resources mechanism*. Exploring different technical options, and learning from others' experience of designing and maintaining similar models can help provide a practical understanding of the functionality and limitations of a possible registry platform and help Parties make a realistic assessment of ongoing resourcing and budgetary implications.

## Paper no. 2: Chile

### **Submission by Chile**

Santiago, 25 de Julio 2011

The Government of Chile welcomes this opportunity to submit its view, developed in response to paragraph 50 of 1/CP.16 inviting developing countries that wish to voluntarily inform the Conference of the parties of their intention to implement nationally appropriate mitigation actions and to paragraph 67 of 1/CP.16 inviting views on the development of modalities and guidelines for the facilitation of support to nationally appropriate mitigation actions through a registry, measurement reporting and verification of supported actions and corresponding support and domestic verification of mitigation actions undertaken with domestic resources, among other topics.

In August of 2010, the Government of Chile informed the UNFCCC of its voluntary commitment to implement nationally appropriate mitigation actions to achieve a 20% deviation below the business as usual emissions growth trajectory by 2020, as projected from year the 2007.

Since then, the Government of Chile has been working to identify policies and programs, that could be developed into nationally appropriate mitigation actions (NAMAs). In particular, the Government has made an effort to gather information on potential NAMAs, specifically estimated costs and emissions reductions and the anticipated time frame for implementation, in accordance with the invitation stated in paragraph 54 of 1/CP.16. To facilitate this effort, the Government of Chile developed a template that was circulated to various Ministries with a potential role in developing nationally appropriate mitigation actions.

The template has been used as a tool to gather critical information for enabling the effective implementation of NAMAs, including an analysis of the potential emissions reductions associated with the NAMA, the costs of implementation, and a suggested framework for monitoring, reporting and verifying the resulting emissions reductions. Several Chilean ministries have started developing this information, based on national and international studies, although it is clear that not all actions have reached the same level of maturity and the Government must keep working to refine, socialize, and approve these ideas before they can be implemented.

The Government of Chile would like the information generated through this process to serve in the development, approval and provision of national and/or international financing of Chile's NAMAs. The Government of Chile also understands that this information could be relevant to the registry mentioned in paragraphs 53-59 of 1/CP.16, as a potential template to submit information to the Secretariat on nationally appropriate mitigation actions seeking international support, thus facilitating the matching of support. Finally, this template could also be used by Chile and other countries to submit information needed to recognize nationally appropriate mitigation actions of developing countries in a separate part of the registry.

Chile hereby submits this template, with the objective of contributing to the identification of NAMAs in developing countries; the implementation of the registry; the facilitation of support from developed countries for NAMAs in developing countries; and the provision of information by countries already implementing or planning to implement NAMAs.

**Nationally Appropriate Mitigation Action (NAMA)  
CHILE**

Name of NAMA	
Sector/Ministry	
Prioritization of the NAMA Within the sector/Ministry	
Description of the NAMA (objective, timeframe for execution, coherence with national policy, etc.)	
Estimation of potential CO2 emissions reductions (in tons of CO2e per year, methodology, etc.)	
Estimation of costs (Methodology, cost per ton reduced, description of the funding required nationally and/or internationally, etc.)	
Process for Monitoring, reporting and verification (variables or indicators to be monitored)	

Submission by Poland and the European Commission on behalf of the European Union and its Member States

**This submission is supported by Albania, Croatia, Iceland, Montenegro and Serbia.**

Warsaw, 20<sup>th</sup> September of 2011

**Subject: Biennial reports guidance for Non-Annex I Parties**

**INTRODUCTION**

1. The EU welcomes this opportunity to submit the present submission to elaborate on the proposed contents of the guidelines for biennial reports for Non-Annex I Parties.
2. **The EU holds firmly to the commonly agreed objective of keeping the global mean temperature increase below 2°C.**
3. To secure this objective, all Parties will need to act and collectively deliver the required level of ambition. However, as explained in another submission<sup>2</sup>, the EU highlights that **at this point a significant "ambition gap" exists** – the mitigation pledges put forward by Parties so far are clearly insufficient to stay below 2°C, and a lot of uncertainties remain on these pledges –, therefore the EU calls all Parties, in Durban, to acknowledge and quantify this "ambition gap" and identify options and define a process to address this gap.
4. To secure the objective to stay below 2°C, it is also fundamental to maintain a top-down approach and an internationally agreed **rigorous, robust and transparent rule-based system** as also explained in another submission<sup>3</sup>.

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<sup>2</sup> Cf. EU submission on the need to increase the global level of ambition and options to do so.

<sup>3</sup> Cf. EU submission on the need for a rigorous, robust and transparent international accounting system



5. **Such common rules are indeed a prerequisite to ensure that the MRV system can work**, to keep track of the aggregate performance towards meeting the objective of staying below 2°C, ensure environmental integrity and avoid double-counting – without common rules, information can be measured in very different ways, which makes it impossible to compare the data reported by countries.
6. **It will also be critical to ensure a strong MRV system** to ensure the transparency that Parties need. In this context, enhanced national communications, the biennial reports for Annex I and Non-Annex I<sup>4</sup> countries, and processes of IAR<sup>5</sup> (International Assessment and Review) and ICA<sup>6</sup> (International Consultation and Analysis) will play a key role.
7. This submission includes the EU's proposal on guidelines for biennial reports for Non-Annex I Parties. **It is crucial that work on the guidelines starts immediately, that the guidelines be adopted in Durban and used by non-Annex I Parties for the preparation of their biennial reports to be submitted by 1 January 2014 with additional flexibility given to the least developed countries and small island developing states.** The EU notes that **these guidelines will eventually need to be brought in line with the provisions of a future international accounting system** that needs to be developed in parallel.
8. Practical arrangements should be established in order to ensure that non Annex I Parties can benefit from Annex I Parties' recognized expertise.

### **PROPOSAL FOR GUIDELINES TEXT**

1. These reporting guidelines cover the reporting of information in biennial reports included in national communications as well as in biennial update reports, in years when no national communication is submitted. LDCs and SIDS may submit biennial update reports at their discretion.
2. The biennial report shall include the following sections:
  - I. National greenhouse gas inventory including national inventory report
  - II. Mitigation actions and their effects
  - III. Support received and financial, technical and capacity needs
  - IV. Common reporting format tables

### **INTRODUCTION**

#### *Objectives*

1. The objectives of these reporting guidelines for the preparation of biennial reports by Non-Annex I Parties are:
  - (a) To assist Non-Annex I Parties in meeting the reporting requirements under Articles 4 and 12 of the Convention and decision 1/CP.16.
  - (b) To promote the provision of consistent, transparent, comparable, accurate, complete and timely information on greenhouse gas emissions with a view to monitor global progress towards meeting the 2 degree Celsius goal;
  - (c) To ensure the transparency and consistency of information reported by Non-Annex I Parties on mitigation actions and their effects;
  - (e) To improve the transparency and consistency of information reported by Non-Annex I Parties on financial, technology and capacity-building support received and provided;

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<sup>4</sup> Cf. EU submission on biennial reports for Non-Annex I countries.

<sup>5</sup> Cf. EU submission on IAR.

<sup>6</sup> Cf. EU submission on ICA.

(f) To enable enhanced reporting for Non-Annex I Parties in accordance with their capacities and respective capabilities, and the availability of support;

(e) To provide information to the Conference of the Parties (COP) and Subsidiary Body of Implementation (SBI) to carry out the International Consultation and Analysis;

## **I. NATIONAL GREENHOUSE GAS INVENTORY**

1. Each Non-Annex I Party shall, in accordance with Article 4, paragraph 1 (a), and Article 12, paragraph 1(a) of the Convention, communicate to the Conference of the Parties a national inventory of anthropogenic emissions by sources and removals by sinks of all greenhouse gases (GHGs) not controlled by the Montreal Protocol.
2. The inventory submission shall consist of a national inventory report (NIR) and the common reporting format (CRF) tables and contained in the Annex to these guidelines. The CRF tables shall be submitted electronically.

### **A. Principles and definitions**

3. National greenhouse gas inventories should be transparent, consistent, comparable, complete and accurate (TCCCA).
4. In the context of these guidelines:
  - *Transparency* means that the assumptions and methodologies used for an inventory should be clearly explained to facilitate replication and assessment of the inventory by users of the reported information.
  - *Consistency* means that an inventory should be internally consistent in all its elements with inventories of other years. An inventory is consistent if the same methodologies are used for the initial and all subsequent years and if consistent data sets are used to estimate emissions or removals from sources or sinks. Under certain circumstances an inventory using different methodologies for different years can be considered to be consistent if methodologies provided by the IPCC for such situations have been applied.
  - *Comparability* means that estimates of emissions and removals reported by Non-Annex I Parties in inventories should be comparable among Non-Annex I Parties. For this purpose, Non-Annex I Parties should use the methodologies and formats agreed by the COP for estimating and reporting inventories.
  - *Completeness* means that an inventory covers all relevant sources and sinks, as well as all gases, included in the IPCC Guidelines. Completeness also means full geographic coverage of sources and sinks of a Non-Annex I Party.
  - *Accuracy* is a relative measure of the exactness of an emission or removal estimate. Estimates should be accurate in the sense that they are systematically neither over nor under true emissions or removals, as far as can be judged, and that uncertainties are reduced as far as practicable. Appropriate methodologies should be used, in accordance with the IPCC good practice guidance, to promote accuracy in inventories.

## **B. Methodologies**

5. Non-Annex I Parties should estimate their national GHG emissions by sources and removals by sinks for the year X-3 and shall provide a time series back to the years that have been reported in the previous national communications and biennial reports. LDCs and SIDS should estimate their national GHG inventories for recent years at their discretion, but should also aim at providing a time series of emissions back to the years reported in the initial national communications.
6. Non-Annex I Parties should use the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, hereinafter referred to as the IPCC Guidelines, for estimating and reporting their national GHG inventories.
7. In accordance with the 2006 IPCC Guidelines and depending on their capacity, Non-Annex I Parties may use different methods (tiers) to estimate their emissions, giving priority to those methods which, according to the decision trees in the 2006 IPCC Guidelines, produce more accurate estimates. Non-Annex I Parties shall identify key categories for the latest reported inventory year. Key categories are those that, when summed together in descending order of magnitude, add up to 70 percent of the total level of GHG emissions. As Parties' reporting improves over time, Parties should assume as key categories those whose sum, in descending order of magnitude, adds up to 90 percent of the total level of GHG emissions. For categories that are determined to be key categories, Non-Annex I Parties should use the recommended methods in accordance with the decision trees in the 2006 IPCC Guidelines.

## **C. Reporting**

8. Each Non-Annex I Party shall provide in its national inventory, on a gas-by-gas basis and in units of mass, estimates on the following greenhouse gases: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O). Each Non-Annex I Party, depending on its capacity and the significance of a gas, shall also provide in its national inventory, on a gas-by-gas basis and in units of mass, estimates on the following greenhouse gases: perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>)
9. Non-Annex I Parties should report aggregate emissions and removals of greenhouse gases, expressed in CO<sub>2</sub> equivalent terms at summary inventory level, using GWP values provided by the IPCC in its Fourth Assessment Report, based on the effects of greenhouse gases over a 100-year time horizon.
10. Non-Annex I Parties should, to the extent possible, and if disaggregated data are available, report emissions from international aviation and marine bunker fuels separately in their inventories.
11. The inventory for the entire time series should be estimated using the same methodologies, and the underlying activity data and emission factors should be obtained and used in a consistent manner. Recalculations should ensure the consistency of the time series and shall be carried out only to improve accuracy and/or completeness and to implement higher-tier methods in accordance with 2006 IPCC Guidelines. Where the methodology or manner in which underlying activity data and emission factors are gathered has changed, Non-Annex I Parties should recalculate inventories for the initial and subsequent years of the times series. Recalculations should be performed in accordance with the 2006 IPCC Guidelines.
12. Each Non-Annex I Party should implement and maintain national arrangements for the estimation of GHG emissions and removals.

## *National inventory report*

13. The NIR should include:

- (a) Descriptions, references and sources of information of the specific methodologies, assumptions, emission factors and activity data, as well as the rationale for their selection. It also should include an indication of the level of complexity (IPCC tiers) applied and a description of any national methodology used by the Annex I Party, as well as information on anticipated future improvements and QA/QC procedures applied. Description and interpretation of trends by sector and most significant key categories should also be included. For key categories, an explanation should be provided if the recommended methods from the appropriate decision tree in the IPCC good practice guidance are not used. In addition, activity data, emission factors and related information should be documented in accordance with the IPCC good practice guidance. Information on changes from previous years including on recalculations, the changes in methodologies, sources of information and assumptions;
- (b) A description of the institutional arrangements for inventory preparation;
- (c) A description to the extent feasible of procedures and arrangements undertaken to collect and archive data for the preparation of national GHG inventories, as well as efforts to make this a continuous process, including information on any QA/QC system in place;
- (d) A description of key categories;

14. Parties, depending on their capacities, may also include in the NIR an uncertainty analysis.

## **II. MITIGATION ACTIONS AND THEIR EFFECTS**

1. Non-Annex I Parties shall report the below information for each mitigation action:
  - a. *Name and short description of the mitigation action;*
  - b. *Objectives of the policy or measure.*
  - c. *The greenhouse gas or gases affected and to the extent possible, the % of emissions in scope of the measure in a year of reference, or sectors covered by the measure;*
  - d. *Type or types of policy or measure (economic, fiscal, voluntary/negotiated agreements, regulatory, information, education, research, other);*
  - e. *Status of implementation.* It should be noted whether the policy or measure is in the planning stage or is adopted or whether it is under implementation. For adopted and implemented measures, additional information may include the funds already provided (domestic or international funding, use of carbon market mechanisms, future budget allocated and the time-frame for implementation along with any conditions attached to implementation);
  - f. *Implementing entity or entities.* This should describe the role of national, state, provincial, regional and local government and the involvement of any other entities.
  - g. *Description of the MRV arrangements/guidance applied at national level to implement mitigation actions (e.g., institutional arrangements, data collection methods, progress indicators);*
2. Non-Annex I Parties shall also provide quantitative estimates of the impact, in terms of GHG emission reductions, over a period to be specified of individual mitigation actions or a group of mitigation actions. Should this information not be available an alternate indicator of the effectiveness of a mitigation action should be used (for instance, deviation from emission reference levels or deviation from projected emission levels in target year or period). Such information should include estimated changes in activity levels and/or emissions and removals due to adopted and implemented policies and measures reported, and a brief description of estimation methods and underlying assumptions (e.g. accounting or not for the impacts of other policy and measures in place, reference levels or baseline projections used).

3. Non-Annex I Parties, in accordance with their capacities should provide information on their projected emissions and removals for the sectors reported in their greenhouse gas inventory.
4. Non-Annex I Parties may also provide supplementary information on incremental costs, related public or private investments, and expected benefits other than mitigation for each action or a group of actions.
5. Non-Annex I Parties shall provide information related to paragraphs 1 and 2 in Table 1 of the Annex and should also provide more detailed descriptive information in the report for the most recent year for which information on mitigation action is available.

### **III. SUPPORT RECEIVED AND FINANCIAL, TECHNICAL AND CAPACITY NEEDS**

1. In accordance with Article xx and decision 1/CP.16, Non-Annex I Parties shall provide updated information on support received and related financial technical and capacity needs. The information should be based on the most recent information available and should cover two more recent years since the submission of the last report.
2. Non-Annex I Parties should provide information on financial resources and technical support for the preparation of the current biennial report provided by themselves, as well as those received from the Global Environment Facility (GEF), Annex II and Annex I Parties or bilateral and multilateral institutions in Table 2a.
3. Non-Annex I Parties should also provide information on financial resources and technical support provided by themselves and by the GEF, Annex II Parties or bilateral and multilateral institutions, for activities relating to climate change in Table 2b and 2c. Accounting of support received is based on agreed arrangements with providers of support. Where public financial management systems are in place, information provided shall be based on those systems.
4. Non-Annex I Parties are encouraged to provide, to the extent their capacities permit, a list of actions proposed for financing in Table 3, in accordance with Article 12, paragraph 4, of the Convention, in preparation for arranging the provision of technical and financial support. For mitigation actions, this should aim to be consistent with information provided in the Registry.
5. Non-Annex I Parties are encouraged to provide information on financial resources related to the implementation of the Convention provided through bilateral, regional and multilateral channels for other Non-Annex I Parties in Table 4.
6. With regard to the development and transfer of technology, Non-Annex I Parties shall provide information on country-specific technology needs and technology support received in Table 5, i.e. support received for activities to promote, facilitate or enhance the development, transfer and diffusion of climate technologies; this information shall at least include the donor country or organisation, the amount of the financial support received, the description of the activity or initiative, and the type of technology transferred, including on how they have utilized this assistance in support of the development and enhancement of endogenous capacities, technologies and know-how.

#### IV: ANNEX

Common reporting format tables for national GHG inventories in particular the summary tables, Table 10 and *main sectoral background data tables for largest key categories*.

Common reporting format tables for mitigation actions

**Table 1. Information on mitigation actions**

Name of mitigation action and short description	Objective	Sector affected	GHG affected	Type	Status of implementation	Implementing entity	MRV arrangements	Estimated mitigation impact by year 20xx or alternative indicator	Additional voluntary information

Common reporting format tables for support received.

**Table 2a: Support received and own contributions for the preparation of the current biennial report, years X and Y, in USD**

	x. biennial report YEAR X	x. biennial report YEAR Y
From GEF		
From Annex I Parties		
From Annex II Parties		
Own contributions		
Other sources (please specify)		
<b>Total</b>		

**Table 2b: Support received for activities relating to climate change, in USD<sup>a</sup>**

Name of action/project/programme	Support provided by	Support received (in USD)	Reporting Year	Mitigation	Adaptation	Indicate support type (financial, technology, capacity building)

<sup>a</sup> Please provide information separately for the two recent years since the last biennial report.

**Table 2c: Support provided by reporting Party for activities relating to climate change, reporting period, in USD**

	YEAR X	YEAR Y	YEAR Z
Country			
<b>Total</b>			

**Table 3: Support needs for activities relating to climate change, in USD**

Reporting year X

Project/Programme Title	Short project description (if available)	Support needed (in USD)	Mitigation	Mitigation action listed in NAMA registry <sup>a</sup>	Adaptation

<sup>a</sup> If applicable Parties should make a reference to the NAMA registry of the mitigation activity is listed in the registry

Table 4: Support provided for activities relating to climate change to other Non-Annex I Parties, , in USD

Country/Region	Year of commitment	Name of action/project/programme	Support committed (in USD)	Mitigation	Adaptation

Table 5: Description of projects or programmes that promoted practicable steps to facilitate and/or finance the transfer of, or access to, environmentally-sound technologies

- Project / programme title:
- Purpose:
- Recipient country/region/
- Total funding :
- Years in operation
- Sector
- Technology type transferred / Description

Paper no. 4: Israel

**Submission by the State of Israel**

\9.9.2011\

(AWG-LCA)

**Work programme for the development of modalities and guidelines relating to MRV for developing country Parties (Paragraph 66 of 1/CP.16)**

The State of Israel believes that the work program should encourage cooperation between Parties so that reliable information may be collected and reported as part of the effort to increase transparency of activities taken by member countries. The wide range of existing, proposed and potential mitigation actions for developing country Parties, and their different circumstances, will present a challenge for preparing standardized reporting. However, efforts should be made to design relatively simple reporting formats that will avoid duplication of efforts and minimize the burden on Parties and on the Secretariat.

Reporting guidelines should be prepared so that transparency of mitigation actions will be ensured, while the future MRV system should be flexible enough to recognize the differentiated responsibilities and differences of capabilities of the Parties. Support for capacity building must be provided to ensure that Parties have the proper infrastructure so that information, from all Parties, will be of high quality, useful, consistent and comparable. It is essential that all Parties have the capacity for preparing national inventories.

Following please find Israel's view on the elements of the work program:

• **a) Facilitation of support to nationally appropriate mitigation actions through a registry**

Israel is of the view that the Registry has two main important functions that include providing assistance with matching of NAMAs proposals, ready to be carried out, with existing available support; and to record and update information of implemented NAMAs. Recording this information will also provide international recognition for efforts and for actual implementation. The Parties will need to continue discussions on the level of detail and specification of the information that should be recorded and how this information is to be updated. However, the Registry should not be a substitute for a comprehensive reporting system.

As the Registry will focus on assisting in matching potential projects with available support and it will report on the implementation, this will help potential donors and recipients by recording voluntary submitted information on actions seeking support and support available. The full report of projects, including the methodologies for measuring emissions reductions, will be reported through other channels (i.e. national communication, biennial report). The modalities to be determined should allow all potential donors (bilateral, regional, multilateral, public and private) to submit information on support available to assist developing countries undertake proposed mitigation actions. The Secretariat should have a role in



presenting the information in an accessible and user-friendly manner, keeping in mind that more information does not necessarily mean better information.

- **b) Measurement, reporting and verification of supported actions and corresponding support.**

Guidelines for measurement, reporting and verification of NAMAs should be established within the UNFCCC to be used by all developing countries having pledged to implement NAMAs, whether supported or not. The manner in which reductions are measured and reported, whether internationally or domestically supported, must be clear and comprehensible to all Parties. The system of measurement should be as consistent as possible with the national GHG reporting systems. Verification is essential for assessing the effectiveness of pledged and implemented NAMAs in terms of actual emission reductions.

The revised reporting guidelines will need to require recipient countries to provide sufficient information on how international support led to enhanced mitigation outcomes.

- **c) Biennial reports as part of national communications from non-Annex I Parties**

Biennial reports should be partial updates of the most recent national communication and contain among others, information on national greenhouse gas inventories including a national inventory report; key mitigation actions (implementation and results); a description of the domestic system of MRV and all support received. Reports from non-Annex I Parties should **not** contain forecasts of GHG emissions reductions. As biennial reports are updates, they should be focused, concise and brief and address key information for the topics covered as well as information that has changed significantly since the previous submission of that country's national communication. The reporting format should be facilitated by means of a standard tool.

Guidelines should set standard approaches to ensure that hurdles are lowered so as many countries as possible may prepare and submit biennial reports, consistent with their capabilities and special circumstances. This will provide an important foundation for complementing national communications without duplicating existing information.

- **d) Domestic verification of mitigation actions undertaken with domestic resources**

As previously mentioned, guidelines for measurement and reporting of NAMAs should be established within the UNFCCC to be used by all developing countries having pledged to implement NAMAs, whether supported or not. The guidelines to be decided upon by the COP should be the same for both, and leave a certain degree of flexibility to the countries, for taking into consideration their capabilities and national circumstances. According to the Cancun Agreement, NAMAs implemented with domestic support will be verified at the national level and will be reported in the national communication and the biennial update reports, which will subsequently be subject to the ICA process. The work program should strive to define general internationally agreed guidelines for domestic verification of implemented NAMAs (whether supported or not), which will allow for comparability of countries' data. Domestic verification is necessary for

countries to have a comprehensive and reliable picture of the emissions reductions yielded by all its mitigation actions.

As national capacity is a concern for achieving improved reporting by developing countries, it will be necessary to provide capacity building and technical assistance to Parties so that they may establish efficient reporting systems.

**e) International consultations and analysis**

As mentioned, biennial reports should provide updates of key information and significant changes since the previous submission. According to the Cancun Agreements, a process of ICA will be conducted on the reports with the goal of increasing transparency of mitigation actions and promoting comparability.

Therefore, the level of detail of the biennial reports must be sufficient while not containing the detail of a national communication.

The ICA report should be regarded as a technical assessment of the biennial report, followed by consultations among experts and it should provide a firm basis of information for measuring progress of implementation of mitigation actions. ICA should be a process of information sharing for assisting Parties to meet their needs by facilitating the implementation of actions.

**NEW ZEALAND**

**A SUBMISSION TO THE AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION UNDER THE CONVENTION**

**DRAFT GUIDELINES FOR BIENNIAL UPDATE REPORTS FROM DEVELOPING COUNTRY PARTIES**

**August 2011**

In March 2011 New Zealand made a submission to the Ad Hoc Working Group on Long-Term Cooperative Action under the Convention (AWG-LCA) providing views on a work programme for the development of modalities and guidelines for mitigation actions and commitments (FCCC/AWGLCA/2011/MISC.7 refers). This new submission responds to the invitation to provide further views on this issue by 9 September 2011, and builds on the views provided in the March submission.

The draft guidelines for biennial update reports from developing country Parties presented in this submission are broadly based on the relevant sections of the guidelines for the preparation of national communications from Parties not included in Annex I to the Convention as contained in the annex to Decision 17/CP.8. In addition, in preparing these draft guidelines New Zealand has taken into account:

- submissions from Parties
- in session discussions
- co-facilitator's reports
- discussions during an informal workshop on measurement, reporting, verification (MRV) and review held in Wellington, New Zealand in May 2011
- discussions at the informal meeting on mitigation and MRV co-hosted by New Zealand, South Africa and Mexico held in Auckland, New Zealand in July 2011.

New Zealand recognises a sense of urgency (which is shared by many other Parties) to agree guidelines on biennial update reports from developing country Parties (and biennial reports from developed country Parties) at COP17 in Durban. In New Zealand's view information presented in the reports of developed and developing countries will be essential for the scheduled 2013-2015 Review agreed in Decision 1/CP.16 (paragraph 139 (a) (iii) refers) and to build confidence in making transparent Parties' commitments to ongoing mitigation action.

The draft guidelines attached to this submission are offered as an input to a successful outcome in Durban on guidelines for biennial update reports from developing country Parties.

## **Draft guidelines for biennial update reports**

### **I. INTRODUCTION**

#### **A. Objectives**

1. The principal objectives of the guidelines for the preparation of biennial update reports from Parties not included in Annex I to the Convention (non-Annex I Parties) shall be:
  - (a) To assist non-Annex I Parties in meeting their reporting requirements under the Convention;
  - (b) To encourage the presentation of information in a consistent, transparent and comparable, as well as flexible, manner, taking into account specific national circumstances;
  - (c) To facilitate the presentation of information on support received;
  - (d) To serve as policy guidance to the operating entity of the financial mechanism for the timely provision of financial support needed by developing country Parties in order to meet the agreed full costs of complying with their obligations under Article 12, paragraph 1, in so far as meeting the reporting requirements of these guidelines;
  - (e) To ensure that the Conference of the Parties (COP) has sufficient information to carry out its responsibility for assessing the implementation of the Convention by Parties.

#### **B. Scope**

2. The biennial update report shall provide an update of the most recent reported full national communication in the following areas:
  - (a) A national inventory of anthropogenic emissions by sources and removal by sinks of all greenhouse gases not controlled by the Montreal Protocol, according to the guidance in Part II of these guidelines;
  - (b) A description of mitigation actions and their effects according to the guidance in Part III of these guidelines;
  - (c) A description of the system of domestic measurement, reporting and verification (MRV) according to the guidance in Part IV of these guidelines;
  - (d) A description of support received according to the guidance in Part V of these guidelines;
  - (e) Any other information that the non-Annex I Party considers relevant to the achievement of the objective of the Convention and suitable for inclusion in its biennial update report, including material relevant for calculations of global emission trends.

### **II. NATIONAL GREENHOUSE GAS INVENTORY**

3. Each non-Annex I Party shall, in accordance with Article 4, paragraph 1 (a), and Article 12, paragraph 1(a) of the Convention, communicate to the Conference of the Parties an updated national inventory of anthropogenic emissions by sources and removals by sinks of all greenhouse gases (GHGs) not controlled by the Montreal Protocol, to the extent its capacities permit, following the provisions in these guidelines. Non-Annex I Parties should report on anthropogenic emissions by sources and removals by sinks with full geographic coverage.

## **A. Methodologies**

4. Non-Annex I Parties should use the Revised 1996 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, hereinafter referred to as the IPCC Guidelines, for estimating and reporting their updated national GHG inventories.

5. In accordance with the IPCC Guidelines, Parties may use different methods (tiers) included in the Guidelines, giving priority to those methods which are believed to produce the most accurate estimates, depending on national circumstances and the availability of data. As encouraged by the IPCC Guidelines, Parties can also use national methodologies where they consider these to be better able to reflect their national situation, provided that these methodologies are consistent, transparent and well documented.

6. The IPCC Guidelines offer a default methodology which includes default emission factors and in some cases default activity data. As these default factors, data and assumptions may not always be appropriate for specific national circumstances, non-Annex I Parties are encouraged to use their country-specific and regional emission factors and activity data for key sources, provided that they are more accurate than the default data and documented transparently.

7. Non-Annex I Parties are encouraged to apply the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories (hereinafter referred to as the IPCC good practice guidance), taking into account the need to improve transparency, consistency, comparability, completeness and accuracy in inventories.

8. Non-Annex I Parties are also encouraged, to the extent possible, to undertake any key source analysis as indicated in the IPCC good practice guidance to assist in:

- (a) developing inventories that better reflect their national circumstances, and,
- (b) developing nationally appropriate mitigation actions.

## **B. Reporting**

9. Non-Annex I Parties shall describe updates to procedures and arrangements undertaken to collect and archive data for the preparation of national GHG inventories, as well as efforts to make this a continuous process, including information on the role of the institutions involved. Any planned improvements with regards to the inventory should also be described. To assist with reporting, a template containing procedures and arrangements for national greenhouse gas inventories is annexed to these guidelines (see Template 3).

10. Each non-Annex I Party shall provide in its updated national inventory, on a gas-by-gas basis and in units of mass, estimates of anthropogenic emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) by sources and removals by sinks.

11. Non-Annex I Parties shall provide updated information on anthropogenic emissions by sources of hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>).

12. Non-Annex I Parties should, to the extent possible, and if disaggregated data are available, report emissions from international aviation and marine bunker fuels separately in their inventories. Emission estimates from these sources should not be included in the national totals.

13. Non-Annex I Parties shall report on aggregated GHG emissions and removals expressed in CO<sub>2</sub> equivalents using the global warming potentials (GWP) provided by the IPCC in its Second Assessment Report (“1995 IPCC GWP Values”) based on the effects of GHGs over a 100-year time horizon.

14. Non-Annex I Parties shall provide updated information on methodologies used in the estimation of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, including on the sources of emission factors and activity data. Using the template annexed to these guidelines (see template 4), where previously reported data has been recalculated, non-Annex I Parties shall describe the reasons for recalculating, the manner in which the recalculations have been undertaken and the effect in terms of emissions/removals reported.

15. Each non-Annex I Party shall use the reporting templates<sup>7</sup> annexed to these guidelines in reporting its national GHG inventory, taking into account the provisions established in paragraphs 9 to 14 above. In preparing those reporting templates, Parties should strive to present information which is as complete as possible. Where numerical data are not provided, Parties shall use the notation keys as indicated.

16. Non-Annex I Parties should include in their biennial update reports the inventory sectoral tables and worksheets of the IPCC, in electronic format.

17. Non-Annex I Parties are encouraged to provide updated information on the level of uncertainty associated with inventory data and their underlying assumptions, and to describe the methodologies used, if any, for estimating these uncertainties.

### **III. MITIGATION ACTIONS AND THEIR EFFECTS**

18. Non-Annex I Parties shall provide up to date information on actions to mitigate climate change by addressing anthropogenic emission by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol.

19. Using Template 5 annexed to these guidelines, for each mitigation action or suite of mitigation actions (both supported and unsupported) non-Annex I Parties shall provide:

- (a) a description, including up to date information on the nature of the action, base year, coverage (i.e. sectors and gases,) quantitative goals and progress indicators;
- (b) up to date information on the progress of implementation, and the results so far: such as estimated outcomes (metrics depending on type of action) and estimated emission reductions, to the extent possible; and
- (c) up to date information on methodologies and assumptions (specific to the mitigation action, including where relevant, methods for determining the baseline used, business-as-usual information or other metrics).

20. Non-Annex I Parties shall provide up to date information on the use of international or domestic emission reduction credits (e.g. offsets) or allowances as well as information on any rules/documentation/verification of such units. This information shall be provided in template 6 annexed to these guidelines.

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<sup>7</sup> In the interests of keeping this submission to a manageable length, the greenhouse gas inventory reporting templates (inventory summary table and the sector level tables) are not included in the annex to these draft guidelines – good examples of these tables already exist (e.g. IPCC guidelines) and can be adapted for use in biennial update reports.

#### **IV. DOMESTIC MRV**

21. Taking into account the information provided under sections II and III above, each non-Annex I Party shall provide, an up-to-date description of its system of domestic measurement, reporting and verification.

22. Recognising different national circumstances, a domestic system for MRV could include:

- (a) Clear identification of an entity or entities responsible for implementing, measuring, reporting and verifying mitigation actions, and clarification of the appropriate roles and responsibilities;
- (b) Establishment of a system for collection of all relevant data, sources, and methodologies, including any models used for projections or extrapolation;
- (c) Selection of performance indicators to measure progress in implementation of mitigation actions, and procedures for reporting and collecting performance indicator data;
- (d) A system of quality assurance and control to ensure reliability of data and performance indicators;
- (e) A process for verifying implementation of actions and the relevant performance indicators, including through some form of independent, expert third party review or audit;
- (f) A process for reporting information in a way that is transparent, consistent, comparable, and complete, and made available to the public.

23. In providing information on its domestic system for MRV, each non-Annex I Party should describe any methodologies applied and document the rationale for the approaches taken.

24. Non-Annex I Parties are encouraged to use Template 7 annexed to these guidelines for reporting information on domestic systems of MRV.

#### **V. SUPPORT RECEIVED**

25. Non-Annex I Parties shall also provide up-to-date information on financial resources, technology transfer, capacity building, and technical support received from the GEF, Annex II Parties, any other Parties, or bilateral and multilateral institutions, for activities relating to climate change.

26. For mitigation and other actions non-Annex I Parties shall describe, using the template provided (see Template 8), the proportion of costs from various sources of funding, the mitigation and/or other results achieved, and, as appropriate, the relationship to the needs identified in the Party's low carbon development strategy.

#### **VI. SUBMISSION**

27. The information provided in accordance with these guidelines shall be communicated by each non-Annex I Party to the COP in a single document, in electronic format using the outline and templates annexed to these guidelines.

28. Each non-Annex I Party shall submit its biennial update report in English<sup>8</sup>. Each non-Annex I Party shall make its biennial update report publicly available.

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<sup>8</sup> Given that for non-Annex I Parties executive summaries of national communications are to be submitted in English, and that the biennial update report is expected to be short and succinct (similar to an executive summary) with much of the information presented in tabular format, English is the language of submission for biennial update reports.

29. Additional or supporting information may be supplied through other documents such as a technical annex.

## **VII. UPDATING OF THE GUIDELINES**

30. These guidelines shall be reviewed and revised, as appropriate, in accordance with decisions of the COP.



### Annex to biennial update report guidelines

The templates in this annex are provided to assist non-Annex I Parties with the compilation and submission of their biennial update reports.

#### Template 1: Submission information

Year  
Submission  
Country

Country	
Inventory Years	
Contact Name	
Title	
Organization	
Address	
Phone	
Fax	
E-mail	
URL	

#### Additional information

Status	
Submission	
Comments	

**Template 2: Outline of biennial update report**

National greenhouse gas inventory		Notes
	Summary report	Emission/removal summary by sector and by gas using standard reporting table
	Sectoral table for Energy	Summary of each sector using standard reporting tables
	Sectoral table for Industrial Processes	
	Sectoral table for Solvent and Other Product Use	
	Sectoral table for Agriculture	
	Sectoral table for Land-use change and forestry	
	Sectoral table for Waste	
	Key category analysis	Parties should identify their national key categories for the latest reported inventory year, using the IPCC tier 1 level assessment.
	Methodologies used	Choice of methods/activity data/emission factors, assumptions, parameters and conventions underlying the emission and removal estimates – the rationale for their selection, any specific methodological issues
	Recalculations and improvements	Any changes in estimates of emissions and removals, compared with previously submitted inventories, regardless of magnitude. Clearly indicate the reason for the changes using the template provided. Parties should also describe planned improvements to methodologies, activity data, emission factors, etc. (optional)
	Procedures and arrangements for the national greenhouse gas inventory	A description of the GHG inventory procedures and arrangements, using the template provided
	Uncertainties	Encouraged to provide information on uncertainties

		using IPCC good practice guidance as basis
Mitigation actions and their effects		
	Description of the action	Using the template provided, for each action or suite of actions, a description, including the nature of the action, base year, coverage (i.e. sectors and gases,) quantitative goals and progress indicators
	Progress of implementation	Using the template provided, for each action or suite of actions information on the progress of implementation, and the results so far: such as estimated outcomes (metrics depending on type of action) and estimated emission reductions.
	Methodologies and assumptions	Using the template provided, for each action or suite of actions information on methodologies and assumptions specific to the mitigation action, including where relevant, methods for determining the baseline used, business-as-usual information or other metrics
	Use of international or domestic offsets	Using the template provided, report on the use of international or domestic emission reduction credits or allowances. Information also to be provided on any rules/documentation/verification of such units
Domestic MRV		An up-to-date description of system of domestic measurement, reporting and verification using the template provided
Support received		Summary level information using the template provided
Other information		




**Template 5: Summary report of mitigation actions**

**Template 5.1: Report table of update/change in policy framework<sup>(1)</sup>**

Title	Description

1. Development plan, climate change policy, change in regime, etc.

**Template 5.2: Report table of mitigation actions**

Description of Mitigation Action	Base year	Coverage		Implementing Entities	Quantitative goal	Progress indicators	Progress to date	Estimated outcomes/ Emissions reductions	Methodologies and assumptions
		Sector <sup>1</sup>	gas						

1. IPCC sector (Energy, Industrial processes, Solvent and Other Product Use, Agriculture, LULUCF, Waste)

**Template 6: Use of Offsets**

Units sold (type of unit)	Tonnes of CO <sub>2</sub> -equivalent	Information on rules/documentation/verification
Units purchased (type of unit)		

<b>Total</b>		

#### Template 7: General description of domestic systems for MRV

Component of MRV system <sup>1,2</sup>	Methodologies applied/rationale for approach taken

1. Includes any updates since last submission

2. For example: entities responsible of MRV of mitigation actions; description of data collection system including models used for projections; selection of performance indicators; QA/QC system; third party verification; process for reporting.

#### Template 8: Support received

Project/activity	Supported by <sup>1</sup>	Type of support <sup>2</sup>	Timescale		Total funding		Proportion of costs from various sources of funding	Mitigation and/or other results achieved	Relationship to the needs identified in the LCDS
			Start	Finish	Local currency	USD			

1. GEF; Annex II Party; other Party; bilateral institution or fund; multilateral institution or fund

2. Finance, technology transfer, capacity building, other

Paper no. 6: Pakistan

**Submission by Pakistan**

**Nationally Appropriate Mitigation Actions by the Developing Countries**

**(Bali Action Plan 1bii)**

The Chair of the AWGLCA invited submissions by parties on items relating to the work programme for development of modalities and guidelines listed in Decision 1/CP.16, paragraph 66.

Pakistan welcomes this opportunity and would like to submit its views on developing modalities and guidelines for Registry, Biennial Update Reports and International Consultation and Analysis.

**Registry**

**Key Considerations**

1. The Registry is considered to be an essential instrument for enhancing mitigation potential in the developing countries. The key functions of the Registry are contained in paragraph 53 and 56 of Decision 1 CP 16:

**A Paragraph 53:**

- a. Record mitigations actions by developing countries seeking international support.
- b. Facilitate matching of support to developing countries NAMAs seeking support.

**B Paragraph 56:**

- a. Nationally appropriate mitigation actions seeking international support;
- b. Support available from developed country Parties for these actions;
- c. Support provided for nationally appropriate mitigation actions;

2. Given the matching of support function, the Registry should essentially be part of the Financial Mechanism of the Convention and should operate under the Standing Committee on Finance which also has a key function of MRV of support as contained in Decision 1 CP 16 paragraph 112.

3. Registry will have an essential role in the MRV mechanism for both action and support.

4. The decision making on NAMA proposals may not be actually in the Registry given that this would be decided by the financial entities under the Convention or other multilateral, regional or bilateral channels where NAMA proposals would actually be decided.

5. The Registry should comprehensively track information on NAMA's seeking support, support needed, support provided and support received by the developing countries.

6. In addition to registration and recoding, the Registry should report on the following to the Standing Committee;

- a. NAMAs seeking support and support needed
- b. Support available and support provided.
- c. Support received by the developing countries
- d. Gaps in action and support.

7. The mandate for development of modalities and guidelines for facilitation of support to NAMAs through registry, including its functional relationship with the financial mechanism, is contained in Decision 1 CP 16 paragraph 57 and 66.

### **Developing Modalities and Guidelines**

8. The modalities and guidelines for Registry for facilitation of support should be elaborated taking into consideration, inter alia, the following:
- a. Receive information on NAMAs by developing countries seeking international support to the Registry to include:
    - i. Estimates including all related incremental costs.
    - ii. Type of support needed including finance, technology and capacity building for the design, preparation and implementation of such actions.
    - iii. Estimates on emission reductions.
    - iv. Anticipated time frame for implementation.
  - b. Receive information on support available and support provided by developed countries through financial entities under the Convention or other multilateral, regional or bilateral channels for NAMAs by developing countries.
  - c. Registration modalities to include:
    - i. Interim registration once information on NAMAs by seeking international support is provided by the developing countries.
    - ii. Update information once matching of support has been agreed and confirmed.
    - iii. Registry to recording and regularly update information on NAMAs seeking support once:
      - Support is actually provided by the developed countries through financial entities under the Convention or other multilateral, regional or bilateral channels.
      - Certification of support is received by the Registry from the developing countries.
  - d. Common reporting formats for; NAMAs by developing countries seeking support; support available; support agreed and confirmed; support provided; and, certification of support received.
  - e. Reporting requirements of the Registry to the Standing Committee on Finance.



## **Biennial Update Reports**

### **Key Considerations**

1. Biennial Update Reports are updates on information presented as part of National Communications by Non Annex I parties in accordance with Article 12.1 of the Convention.
2. The Cancun Decision did not mandate revision of the current guidelines for Non Annex I parties National Communications.
3. The frequency of the National Communications by Non Annex I parties is to be agreed taking into account differentiated timetable set by Article 12.5 of the Convention and will be subject to the availability of financial resources in accordance with Article 4.3 of the Convention.
4. Preparation and submission of Biennial Update Reports by Non Annex I parties will be subject to; availability of technical and financial resources; and, reporting flexibilities consistent with national capabilities and circumstances.
5. The modalities and guidelines for Biennial Update Reports to be developed in accordance with the provisions of the Convention and consistent with the mandate of Decision 1 CP 16 as contained in paragraph 66.
6. The submission of Biennial Update Reports will be for information purposes only and will have no relationship with Review or Compliance.

### **Scope of Biennial Update Reports**

7. As stated in paragraph 60 c of the Decision 1 CP 16, the Biennial Update Reports are to include updates on:
  - a. National GHG inventories
  - b. Information on Mitigation Actions
  - c. Information on needs
  - d. Information on support received
8. The modalities and guidelines for the Biennial Update Report should be built on the above 4 elements and given this an update on information contained in National Communications, the guidelines for Biennial Update Reports should be consistent with the current guidelines of the National Communications as contained in Annex of Decision 17 CP 8.

## International Consultation and Analysis

### General Remarks

1. ICA and IAR are two distinct concepts each in terms of nature & scope, frequency, inputs, process and outputs.
2. The process of ICA to be consistent with the voluntary nature of the mitigation obligations of the developing countries under the Convention, Bali Action Plan and the Cancun Decision.
3. ICA is not a review process and is not in the context of compliance.

### Scope of ICA

4. The scope of the ICA is contained in Decision 1 CP 16 paragraph 63.
5. ICA will be conducted by the SBI and to be:
  - a. A facilitative and consultative process.
  - b. Conducted in non-intrusive and non-punitive manner.
  - c. Respectful of national sovereignty.
6. The aim of ICA is to increase transparency of the voluntary mitigation actions by the developing countries.

### Inputs for ICA

7. In accordance with Decision 1 CP 16 paragraph 63, elements of the biennial update reports would serve as inputs for ICA:
  - a. National GHG inventories
  - b. Information on Mitigation Actions
  - c. Information on needs
  - d. Information on support received

### Frequency

8. The frequency of ICA is to be agreed by the Conference of Parties.
9. The frequency of ICA would depend on:
  - a. The frequency of National Communications and the biennial update reports by developing countries.
  - b. The flexibilities associated with the regarding capabilities and level of support to their submission would be key factors for deciding on.

### Process and Output

10. In accordance with Decision 1 CP 16 paragraph 63, the ICA process would include:
  - a. Analysis by Technical Experts in consultation with the party concerned.
  - b. Facilitative sharing of views.
  - c. Discussions on the appropriateness of domestic policies and measure are not part of the process.
11. The ICA would result in a Summary Report of Consultation and Analysis, to be noted by the SBI.

**Submission by the Kingdom of Saudi Arabia**

**AWG-LCA Agenda Item 3.2.2**

**Nationally Appropriate Mitigation Actions by Developing Country Parties**

This submission is after the original deadline per the directive of the AWG-LCA Chair during the 2<sup>nd</sup> Part of the AWG-LCA 16<sup>th</sup> Session in Bonn, Germany in June 2011, to extend the submission deadline to September 9, 2011, and as communicated by the secretariat Message to Parties dated July 5, 2011.

Saudi Arabia welcomes this opportunity to submit its views in response to this invitation.

**General discussion:**

The Cancun Agreement mandated completely different work programs for the developed and developing country parties Nationally Appropriate Mitigation Actions commensurate with their current mandate and building on their responsibilities and experience. For developed country parties, the Cancun agreement mandated mainly revising the guidelines for reporting and for review, including the introduction of the international assessment and review of emissions related to their targets, to ensure they are achieving their reduction targets. However, for developing country parties, the situation is different since their current submissions and reviews are not at the same level of definition as the developed country parties. Accordingly, the requirement for developing country parties is mainly to establish a system that addresses their needs for financial, technical and capacity building support which will enhance their submissions and facilitate review.

Nevertheless, due to the similarity in the naming of tasks, a false impression has been created that they are equitable and require simultaneous and identical development of the work programs. This explains why the discussion on mitigation up till now has focused symmetrically on the biennial/biennial update reports and ICA/IAR for both developed and developing country parties although the required work for these elements varies between developed and developing country parties. This symmetrical treatment has resulted in uneven progress on the work programs as mandated by the Cancun agreement and what is required to be defined. An example that exhibits this uneven progress is the biennial reports that would be required by the developed country parties and the biennial update reports that would be required by the developing country parties. Given that the developed country parties are already submitting annual GHG inventories and inventory reports, the development of guidelines and modalities for the biennial reports is relatively straightforward. On the other hand, the biennial update reports to be submitted by the developing country parties are yet to be defined since they are to update some of the information provided in the national communications, which are still in their early development stages. Meanwhile, needed work on the registry and specifically on the facilitation of support on the developing country parties side, and on the provision of financial, technology and capacity-building on the developed country side have not been discussed until now. It is our view that this kind of uneven progress that tends to delay the process. In conclusion, it is recommended that the work programme for the developed country parties to be different from that of the developing country parties. They should be based on the relevant current experience, practice, review, guidelines, etc. not to aim to be identical.

## **Views for the work programme:**

It is our view that the work programme depicted in Paragraph 66 provides a very clear plan and in sequential steps that are dependent on each other. It starts by addressing the first building block and the main factor for the shortcoming in the current mitigation actions by developing country parties, which is the facilitation of support to nationally appropriate mitigation actions through a registry. It then provides the second step after establishing the modalities and guidelines for the registry of the actions and support, which is the measurement, reporting and verification of supported actions and corresponding support. Then it follows by the enhancement of the reporting by the developing country parties to ensure that there is accountability on the actions and support received. It also ensures that even if the MRV is domestic, there is some kind of accountability. Finally, it creates a process that is geared to review the biennial update reports by implementing an international consultation and analysis.

Therefore, it is very clear that a sequential work programme as described hereunder is crucial for progressing on all items.

- First, the registry should be set up as stated in Paragraph 53. It should include the following:
  - developing country Parties submissions to the secretariat on nationally appropriate mitigation actions for which they are seeking support, along with estimated costs and emission reductions, and the anticipated time frame for implementation (Para 54)
  - developed country Parties submissions to the secretariat on support available and provided for nationally appropriate mitigation actions (Para 55)
- The next step should be developing modalities for the facilitation of support through the registry referred to in paragraph 53, including any functional relationship with the financial mechanism (Para 57).
- Once these two steps are done and the Registry is up and running, then populating it with data becomes a natural step. This data is made up of the National Communications and the biennial update reports, which is a new element that requires some guidelines for its content, timing, and its relation with the National Communications.–
- As for measurement, reporting and verification, whether it is domestically or internationally, there is a need only to develop the guidelines for the MRV of support provided then for the NAMAs that are using that support (Para 61 and 62).

However, out of all the above requirements, it seems that the focus has been limited to only the development of modalities and procedures for ICA and the biennial update reports, which are not part of the Bali Action Plan, and need not to be developed. It is worthy to reiterate what was stated by the Secretariat during their June 14 presentation on the Registry in Bonn that the most important component for enhancing the mitigation actions by developing country parties is through the capacity-building support provided by developed country parties.

Therefore, Saudi Arabia is of the view that the 3<sup>rd</sup> session in Panama should aim to develop the modalities and guidelines for the Registry with the aim of providing guidelines for the facilitation of financial, technical and capacity-building support, which would result in a work programme to be agreed in Durban. It is unfortunate that the discussions on the registry as captured in the summary by the co-facilitators were not included in the final session in Bonn. Those notes provide several

recommendations on what needs to be done for operationalizing the registry and are an excellent start point for Panama discussions.

**Submission by the United States of America**

**Further views on items in paragraphs 46 and 66 of Decision 1/CP.16**

*This submission focuses on two specific sub-elements of the Cancun work programs described in paragraphs 46 and 66 of 1/CP.16: national inventory arrangements for Annex I Parties, and national GHG inventories for non-Annex I Parties as part of their biennial reports. We provided significant detail in our March 28 submission as well as in a submission made by the Umbrella Group in Bonn this past June. We believe these submissions remain relevant and therefore we will not re-submit them. We provide this submission as a supplementary piece to provide clarity on a way forward for enhancing Annex I and non-Annex I inventories.*

**Annex I National Inventory Arrangements**

Paragraph 43 of Decision 1/CP.16 calls for developed countries to establish national arrangements for the estimation of emissions and removals, and paragraph 46 calls for the establishment of international guidelines for national inventory arrangements.

The domestic arrangements currently used by developed countries to prepare and report their national GHG inventories have reached a state of high maturity and robustness through over 20 years of practice. All Annex I Parties currently have in place arrangements that ensure transparency, consistency, comparability, completeness and accuracy of their inventories, whether to satisfy international or domestic requirements, and are already required to report on such arrangements in their annual National Inventory Report. Any new international guidelines for national inventory arrangements should take into account the arrangements currently in place and should not require significant changes in existing procedures and systems of Parties, which currently represent the state of the art for such systems.

Given the inherent link to work underway in SBSTA on revisions to the Annex I greenhouse gas inventory reporting guidelines and the need to draw on the same technical experts, we would suggest that guidelines for national inventory arrangements be taken up under the ongoing SBSTA work program.

In order to facilitate that work, below we provide draft text that could be inserted in a revised version of the current Annex I inventory reporting guidelines (FCCC/SBSTA/2006/9) under consideration by the SBSTA work programme:

1. Each Annex I Party should implement and maintain institutional arrangements for inventory preparation for the estimation of anthropogenic GHG emissions by sources and removals by sinks. The institutional arrangements for inventory preparation includes all institutional, legal and procedural arrangements made within an Annex I Party for estimating anthropogenic emissions by sources and removals by sinks of all GHGs not controlled by the Montreal Protocol, and for reporting and archiving inventory information.

2. The institutional arrangements for inventory preparation should be designed and operated:
- (a) To ensure the transparency, consistency, comparability, completeness and accuracy of inventories;
  - (b) To ensure the quality of inventories through the planning, preparation and management of inventory activities. Inventory activities include collecting activity data, selecting methods and emission factors appropriately, estimating anthropogenic GHG emissions by sources and removals by sinks, implementing uncertainty assessment and QA/QC activities, and carrying out procedures for the verification of the inventory data at the national level, as described in these guidelines;
  - (c) To enable Annex I Parties to consistently estimate anthropogenic emissions by all sources and removals by all sinks of all GHGs, as covered in the 2006 IPCC Guidelines.

## **Non-Annex I Inventories as Part of Biennial Reports**

In considering the reporting guidelines for Non-Annex I Parties' biennial reports, the US proposes the following framework in which Non-Annex I Parties submit a GHG inventory in an initial biennial report in order to provide input to the 2013-2015 Review, with subsequent improvements in GHG inventories and inventory guidelines for future biennial reports. This flexibility would allow a GHG inventory to be produced by Non-Annex I Parties in short order, consistent with their arrangements made to produce GHG inventories for past national communications.

Subsequent GHG inventories reported in future biennial reports would see improvements in data collection scope and calculation approach rigor, gradually, but substantively, over time, depending on the capability of each Party. This ensures that inventory reporting to the UNFCCC reflects the latest science of the IPCC and provides the appropriate transparency to assess actions being taken by all Parties.

Below is a draft outline of guidelines for the first biennial report by non-Annex I Parties. For the inventory data year, we have left several options, indicated in bracketed text, with N-2 denoting that data would be submitted for the year two years prior to the date of submission. For example, if biennial reports were submitted in 2013, the data would be from 2011 (though some flexibility for Parties may also be provided depending on national circumstances).

### **Non-Annex I National GHG Inventory**

Revised inventory guidelines, as part of the biennial report, would be based on the existing NA1 Inventory guidelines, but would be updated to allow for reporting of more recent data and include the summary tables that most Parties currently complete but do not submit. Below are the key elements of inventory guidelines for the first biennial report to be adopted at COP17:

- Inventory data for the year [2010] [N-2] [N-3]
- Continue using UNFCCC NAI Greenhouse Gas Inventory Software (based on 1996 IPCC Guidelines and 2000 Good Practice Guidance and 2003 Good Practice Guidance for LULUCF) to calculate and report emissions and removals, and report key category analysis
  - Parties are encouraged to report six gases
  - Parties are encouraged to use higher tier methods for key categories
  - Parties are encouraged to use 2006 IPCC Guidelines
- Provide all sector spreadsheets and summary tables (listed in Dec. 17/CP. 8)
- Include a national inventory report with information on the compilation of the inventory, including information on: institutional arrangements; analysis of key categories; methodologies, assumptions, emission factors and activities data used; level of uncertainty; changes from previous years; and quality assurance/quality control.



## **Further Revision of Guidelines**

At COP17, Parties should establish a process for the revision of these guidelines for subsequent biennial reports and other related reporting in order to improve the quality of reports and to build capacity over time, responding to Parties' needs and capabilities. This would include:

- Moving toward the use of 2006 IPCC Guidelines by all Parties;
  - Moving from Tier 1 to Tier 2 and 3 for key sectors and sinks based on country capacity;
  - Improving the common reporting formats for reporting sector spreadsheets and tables;
  - Increasing coverage of GHGs identified by the IPCC over time;
  - Reporting of aggregated GHG emissions and removals using global warming potentials (GWP) provided by the IPCC;
  - Providing a time series of emissions and removals; and
  - Incorporation of further detail on methodologies, data collection and calculations for key sources/sinks in the National Inventory Report.
-